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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/677,401	09/29/2000	K. Jon Kern	5125.02	3108

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DORSEY & WHITNEY, LLP
INTELLECTUAL PROPERTY DEPARTMENT
370 SEVENTEENTH STREET
SUITE 4700
DENVER, CO 80202-5647

EXAMINER

NGUYEN, TAN D

ART UNIT PAPER NUMBER

3629

DATE MAILED: 10/03/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/677,401

Applicant(s)

KERN ET AL.

Examiner

Tan Dean Nguyen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 August 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-89 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-89 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 5.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Information Disclosure Statement

The prior art statement filed 8/28/03 has been received and recorded.

Response to Amendment

The pre-amendment filed 5/17/02 was partially entered (Figs. 41a and 41b phrase). The remainder of the pre-amendment was not entered due to line numbering.

Claim Rejections - 35 USC § 112

1. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 8-46, 54-64 are rejected under 35 U.S.C. 112, first paragraph, as based on a disclosure which is not enabling. The claims call for a method of facilitating repayment of a loan obligation by applying of the loyalty points to an outstanding balance of a loan obligation is considered as critical or essential to the practice of the invention, but the steps for repaying the loan obligation are not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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4. Claims 1-6, 8-29, 32-46, 47-53, 54, 71-89 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503 in view of SHURLING et al (US Patent 6,009,415) alone or further in view of Article 12/1999.

As for claim 1, WO 99/60503 discloses a method of accumulating and redeeming loyalty points comprising the steps of: a) establishing a site (web site) on a global computer network, b) recognizing at least a certain users of the site, c) directing the user to a proprietor, d) enabling accumulation of loyalty points by the user based upon interaction with the proprietor, e) monitoring the interaction by the users from the proprietor, f) tracking the accumulated loyalty points, and g) permitting selective redemption of the accumulated loyalty points into desired products or services (page 1, page 2, page 3, page 9, lines 10-15, page 10, lines 9-29, page 11, lines 1-27, page 17, lines 4-10). WO 99/60503 teaches the claimed invention except for using the merchant as the proprietor and the transaction is a purchase from the merchant.

SHURLING et al is cited to teach well known practice of redeeming royalty points by rewarding customer for building relationship (financial transaction) with a merchant (banker or financial service institution) using incentive program by tracking customer volume of purchases in store or shop and awarding loyalty points in the form of desired valuable personal products or services (increased interest rate on a deposit account or a reduced interest rate on a loan account when the merchant is a banker) (see col. 1, lines 30-65 (or 1:30-65), 2:10-15, 5: 1-5, 5:15-25). It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify customer incentive program of WO 99/60503 by replacing the proprietor and its

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transaction with the user with well known practice of rewarding customer for making a purchase from a merchant as taught by SHURLING et al above.

Article 12/1999 is cited to show it's well known to put bank on Internet and having its own web site whereby customer can access the bank products and obtaining loyalty points and redeeming points for desired products and services (see abstract). It would have been obvious to modify WO 99/60503 by substituting proprietor with bank as taught by SHURLING et al and further in view of Article 12/1999 whereby the bank has its own website and can be accessed by customer for collecting and redeeming loyalty points.

As for claim 2, the various ways of relating customer loyalty point to the merchant's profit such as using commission rate would have been obvious to a skilled artisan as mere routine experimentation for determining desired percentage point for awarding the customer. As for claim 3, the 1st web site in WO 99/60503 is generic for any type of business. Therefore, using the 1st website for a virtual college community would have been obvious if desired.

As for claims 4, 8, 47, 54, 71, SHURLING et al teaches the redeeming of loyalty point by converting it into actual customer financial rewards such as loan and deposit account interest rate and bank service fees, i.e., increased interest rate for a deposit or reduced rate for a loan account or charge for bank service (see 9:15-20). Therefore, the use of loyalty points for paying off an outstanding balance of a loan obligations would have been obvious to a skilled loan person in the art as mere other alternative to

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reducing rate on a loan account which would inherently reduce the loan obligation or amount.

As for claims 5-6, the limitation of minimum number of loyalty points is well known practice to avoid inconvenient division of award and varies with the type of redeeming product and service and is taught on Table C and 12:1-10 of SHURLING et al.

As for claim 9, the concept of tracking automatically is well known to improve efficiency and is taught on 8:59 or Fig. 4, step 110 of SHURLING et al. As for claims 10-11, these are well known step and are shown on the table in Fig. 4 of WO 99/60503. As for claim 12, this is fairly taught on WO 99/60503 page 12, lines 20-25. The selection of the type of merchant, i.e., textbook, would have been obvious in view of the general teaching of any type of merchant or business as taught in WO 99/60503. As for claims 13-17, the various steps for login and verification steps are well known or would have been obvious and are fairly discussed by WO 99/60503 on Fig. 4 and pages 13-15. As for claims 18-28, the various steps for filling an order, creating transaction records, percent commission, loan service provider, determining of loyalty points, etc., are fairly taught in SHURLING et al on Tables A, B, C as shown on cols. 1, 2, 8, 9, and 10. As for claims 29, 32, the supplying of additional registration information to further verify the user or allowing the user to access the information due to loss of personal information is well known and would have been obvious to do so in view of the teaching on Fig. 4 and pages 13, 14, and 15 of WO 99/60503 and SHURLING et al col. 4, lines 25-30 wherein age, social security number, address, and other relevant information are

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used. As for claims 33-35, the limitations of the relationship between customer's loyalty points and merchant's sale price or commission vary with each circumstance and/or merchant's profit/cost structure and are considered as optimizing operating conditions or result effective variables and the optimizing of result effective variables is considered as routine experimentation to determine optimum or economically feasible conditions and would have been obvious to the skilled artisan. In re Aller, 105 USPQ 233.

As for claim 36, this is taught in WO 99/60503 on Fig. 3, or page 12, lines 10-20 and 13, lines 5-20 whereby a hyperlink can connect the user to a proprietor through a desired website or page. As for claims 37, 44-46, the selection of a predetermined number of stores or a shopping mall or other type of merchants would have been obvious as mere duplication of a desired store for desired purpose in view of the general teaching of sport store on Fig. 6 of WO 99/60503 or grocery store or banks on col. 2 of SHURLING et al. As for claims 38-41, they are rejected for the same reasons set forth in claims 33-35 above. As for claims 42-43, these are taught in WO 99/60503 page 12, lines 20-25.

As for claim 48, this is rejected in combination of WO 99/60503/SHURLING et al wherein the bank substitute the proprietor. As for claim 49, these known variables are inherently included in the loan of SHURLING et al as shown on col. 5 and Tables A and B. As for claim 50, this is shown on cols. 10 and 11. As for claims 51, 53, the selection of the ratio of loyalty point to loan varies from bank to bank depends on the profit/cost structure and would have been obvious to a skilled artisan. As for claim 52, the

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selection of a 2nd loan service for the same purpose as in the 1st loan service would have been obvious as mere duplicate selection.

As for claims 72-83, the provision of a screen providing a plurality of hyperlinks representing site contents are fairly discussed and shown on WO 99/60503 pages 12-15, Figs. 2-5. Moreover, the selection of various hyperlinkages scenarios are considered as routine experimentations varying for each specific application and would have been obvious.

As for claim 84, this is rejected over WO 99/60503 /SHURLING et al or further in view of Article 11/1999. As for claims 85-87, 89, they are rejected for the same reasons set forth in claims 10-11 above. As for claim 88, Fig. 4 of WO 99/60503 discloses the recording of user's Email wherein transmitting of message to the user can be carried out as shown on Fig. 6.

5. Claim 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503 in view of SHURLING et al as applied to claims 1-6 above, and further in view of CHIEN et al (US 2001/0054003).

In a similar method for redeeming loyalty points, CHIEN et al fairly discloses various options for redeeming points comprising a transfer from one party to another (2nd party) to inherently allow the 2nd party to make effective use of the redeeming points [0012]. It would have been obvious to modify the process of WO 99/60503/SHURLING et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by CHIEN et al.

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6. Claims 30, 31 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503 in view of SHURLING et al as applied to claims 8-29, 32-46 above, and further in view of CHIEN et al (US 2001/0054003).

In a similar method for redeeming loyalty points, CHIEN et al fairly discloses various options for redeeming points comprising a transfer from one party to another (2nd party) to inherently allow the 2nd party to make effective use of the redeeming points [0012]. It would have been obvious to modify the process of WO 99/60503/SHURLING et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by CHIEN et al.

7. Claims 55-62 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503/SHURLING et al as applied to claim 54 above, and further in view of WONG et al (US Patent 6,119,933).

As for claim 55, the teachings of WO 99/60503 in view of SHURLING et al is cited above. In a similar method for redeeming loyalty points, WONG et al displaying information about the accumulated loyalty points to the user by categorizing the points with several status such as "new", "pending,", "earned", etc, and displaying the points for each status (see col. 5, lines 45-60). It would have been obvious to modify the redeeming of loyalty points of WO 99/60503/SHURLING et al by categorizing the points according the status and displaying the points for each status as taught by WONG et al to inherently allow accurate monitoring and using of loyalty points program.

As for claims 56-62, the various well known limitations with respect to loyalty points monitoring program such as waiting period, displaying of points, redeeming

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strategy, minimum point scale, etc., are fairly discussed in WONG et al as shown on pages 5-6.

Note: WONG et al also discloses the various steps of updating profiles and adding member and member transactions as shown on cols. 4-5.

8. Claims 63-64, 65-70 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503/SHURLING et al/WONG et al as applied to claims 55-62 above, and further in view of CHIEN et al (US 2001/0054003).

As for claims 63, 65, the teachings of WO 99/60503 in view of SHURLING et al/WONG et al is cited above. CHIEN et al fairly discloses various options for redeeming points comprising a transfer from one party to another (2nd party) to inherently allow the 2nd party to make effective use of the redeeming points [0012]. It would have been obvious to modify the process of WO 99/60503/SHURLING et al/WONG et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by CHIEN et al so the 2nd user can use the loyalty points if desired.

As for claim 64, the number of transfer point is considered routine experimentation varying with each business model and would have been obvious. As for claim 66, this is taught on WONG et al on cols. 4, 5, 6. As for claims 67-70, these are taught on col. 5, lines 45-60.

Conclusion

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

1) Foreign: WO93/12489 is cited to teach a data processing technique for scoring bank customer relationships and awarding incentive rewards.

2) NPL/Full-Test: Article "On Wall Street" is cited to teach redeeming loyalty points on E-trade web site.

3) US Patents:

US Patent 6,345,261 teaches the redeeming of loyalty points in the form of receiving stocks of the merchants that provides the loyalty points.

US patent 6,105,865 discloses a rebate card that provides benefits such as retirement or low cost loans and other services.

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10. Telephone inquiries regarding the status of applications or other general questions, by persons entitled to the information, should be directed to the group clerical personnel and not to the examiner. As the official records and applications are located in the clerical section of the examining Tech Center, the clerical personnel can readily provide status information without contacting the examiner. See MPEP 203.08. The Tech Center clerical receptionist number is (703) 308-1113.

In receiving an Office Action, it becomes apparent that certain documents are missing, e. g. copies of references, Forms PTO 1449, PTO-892, etc., requests for copies should be directed to Tech Center 3600 Customer Service at (703) 306-5771, or e-mail CustomerService3600@uspto.gov .


Any inquiry concerning the merits of the examination of the application should be directed to Dean Tan Nguyen at telephone number (703) 308-2053. My work schedule is normally Monday through Friday from 7:00 am through 4:30 pm.

Should I be unavailable during my normal working hours, my supervisor John Weiss may be reached at (703) 308-2702. The FAX phone numbers for formal communications concerning this application are (703) 305-7687. Informal communications may be made, following a telephone call to the examiner, by an informal FAX number to be given.

Other possibly helpful telephone numbers are:

Allowed Files & Publication	(703) 305-8322
Assignment Branch	(703) 308-9287
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Information Help Line	1-800-786-9199

dtn


DEAN T. NGUYEN
PRIMARY EXAMINER